

**STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS**

TO: Philip C. Mittleman  
1106 Somera Road  
Bel Air, CA 90077

**DESIST AND REFRAIN ORDER  
(For violations of section 25210 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Beginning in or about November 1999 and continuing through May 2000, Philip C. Mittleman ("Mittleman") offered and sold securities to a number of investors in the form of preferred stock in Buildnet, Inc. ("Buildnet") in an amount exceeding \$865,000. Mittleman also solicited investment money to loan Karl Austen so he could purchase shares of Buildnet in an amount of at least \$137,500.
2. Buildnet was a North Carolina corporation located at 4813 Emperor Boulevard, Suite 130, Durham, North Carolina 27703 and is now bankrupt.
3. Mittleman solicited investors to invest in Buildnet and then bought shares of Buildnet in his name for the supposed benefit of these investors. Mittleman also solicited investors to loan money to Karl Austen so that he could purchase Buildnet shares. Mittleman offered and sold Buildnet securities, for compensation in the State of California.

Based upon the foregoing, the California Corporations Commissioner is of the opinion that Mittleman has effected transactions in securities as a broker-dealer without having first applied for and secured from the Commissioner a certificate, then in effect, authorizing him to act in that capacity, in violation of Section 25210 of the Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law of 1968, Mittleman is hereby ordered to desist and refrain from effecting any transaction in, or inducing or attempting to induce the purchase or sale of, any security in this state, unless and until he has applied for and secured from the Commissioner a certificate, then in effect, authorizing him to act in that capacity. This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: August 13, 2002  
Los Angeles, California

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Supervising Counsel, Enforcement and Legal Services Div.

**STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS**

TO: Philip C. Mittleman  
1106 Somera Road  
Bel Air, CA 90077

**DESIST AND REFRAIN ORDER  
(For violations of section 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Beginning in or about November 1999 and continuing through May 2000, Philip C. Mittleman ("Mittleman") offered and sold securities in the form of preferred stock in Buildnet, Inc. ("Buildnet"), a bankrupt North Carolina corporation located at 4813 Emperor Boulevard, Suite 130, Durham, North Carolina 27703.
2. Mittleman sold shares of Buildnet to the public, by pooling investor money and buying the shares in his name. During this time, Mittleman also solicited money from investors to loan money to Karl Austen so that he could buy shares of Buildnet.
3. In connection with these offers and sales, Mittleman misrepresented or omitted to state material facts to some or all of the investors, including but not limited to the following:
  - a. failed to disclose that he was acting as an unlicensed broker-dealer;
  - b. failed to disclose that he would buy the Buildnet shares under his name; and
  - c. misrepresented the loan terms relating to Karl Austen;

Based upon the foregoing, the California Corporations Commissioner is of the opinion that the securities of Buildnet were offered or sold in this state by means of written or oral communications which included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law of 1968, Mittleman is hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including but not limited to preferred stock, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: August 13, 2002  
Los Angeles, California

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Supervising Counsel  
Enforcement and Legal Services Division